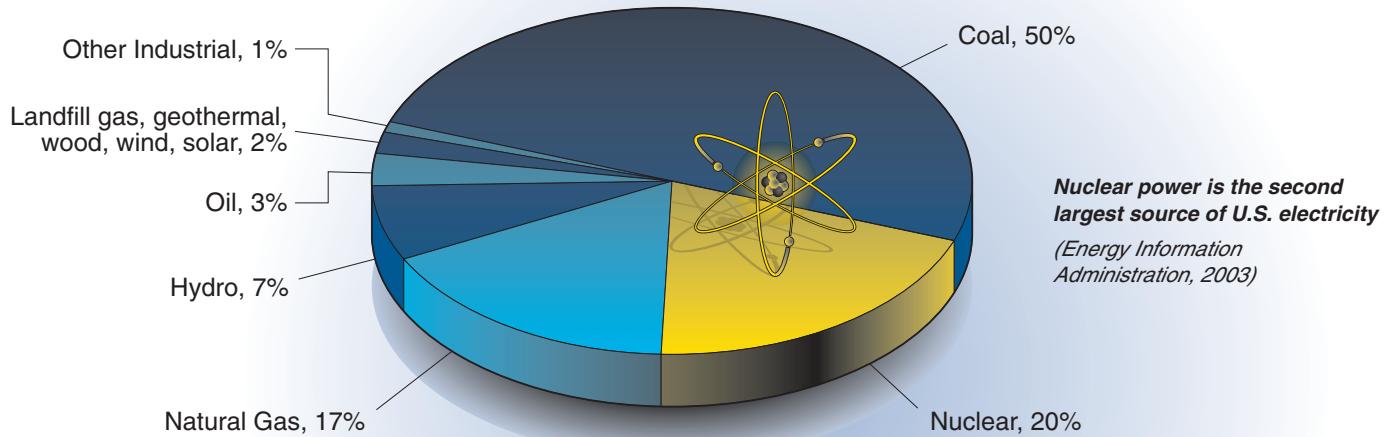




The Global Nuclear Energy Partnership (GNEP)



A New Generation of Nuclear Power Plants in the U.S.

United States Department of Energy



The Global Nuclear Energy Partnership (GNEP) will build on the recent advances made by the President and Congress to stimulate new nuclear plant construction in the U.S. This will be accomplished by demonstrating the success of the streamlined regulations for siting, constructing and operating new nuclear plants through the Nuclear Power 2010 program, and by implementing incentives enacted through the Energy Policy Act of 2005. At 20 percent of the total electricity supply in the nation, nuclear power is the second largest source of domestic electricity, while 70 percent comes

from fossil burning fuels (coal, natural gas and oil). Increasing the amount of electricity generated by nuclear power is critical to moving the nation toward a more sustainable and secure energy future.

The public sector's role in energy security

The May 2001 National Energy Policy recommended expanding long-term U.S. energy independence and reliability, including diversifying supply. It also called for expanding nuclear power as a key energy source for long-term energy

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security. The Energy Policy Act of 2005 was the first comprehensive energy legislation in over a decade. It authorized funds for implementing the Nuclear Power 2010 program and established the Standby Support program.

The Nuclear Power 2010 program is a joint government/industry, cost-shared effort to identify sites for new nuclear power plants, develop and bring to market advanced standardized nuclear power plant designs, and demonstrate streamlined regulatory processes.

The Standby Support program is a form of federal risk insurance to encourage “first movers” to adopt new reactor designs by protecting them against regulatory-related delays or litigation that delays full-power operations. Additionally, the Energy Policy Act of 2005 contains provisions for production tax credits for advanced nuclear facilities and for loan guarantees for low-emission energy production technologies.

An improved regulatory framework

The new regulatory system would allow industry to apply for Early Site Permits that pre-qualify a site for potential nuclear power plants and then for combined Construction and Operation Licenses (COLs) to build and operate new, advanced plants with less risk resulting from regulatory or litigation delays. The protection for “first movers” provides an insurance policy against delays beyond the control of the power company and only

applies to reactor designs approved after December 31, 1993. The first two reactors that receive a COL and start construction would be eligible for up to \$500 million in delay protection; the next four reactors would be covered at 50 percent, up to \$250 million of delay protection. The government would not cover the cost of any delay resulting from failure of the reactor owner to follow laws and regulations, events under the control of the owner or normal business risks.

Showing that new plants can be built

The Department expects that the first three Early Site Permits will be issued in 2007, potentially leading to the first COL submittal from industry in 2007-2008 and the first power company decision to proceed with construction by 2010.

The final rule for Standby Support provisions of the Energy Policy Act of 2005, and aimed at protecting first movers, is expected in 2006.

The Department is cost sharing the preparation of two COLs for two consortia. Collectively, these two teams represent the operators of two thirds of the nuclear plants in the U.S. today.

Investing in the first few new nuclear power plants will demonstrate a streamlined process for building nuclear power plants, pave the way for future expansion of nuclear power and promote U.S. energy and economic security. The applications are planned for submittal to NRC in 2007 and industry is planning issuance in 2010.

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